## NEW YORK HERALD.

JAMES GORDON BENNETT, EDITOR AND PROPRIETOR.

OFFICE M. W. CORNER OF FULTON AND NASSAU STE.

AMUSEMBATS THIS EVENING.

MIBLO'S GARDEN. Broadway .- THE DUEN'S MOTTO

WINTER GARDEN, Broadway.-LITTLE TREASURE-LAURA KEENE'S THRATRE, Broadway.-WIVES OF

NEW ROWERY THEATER, Bowery.—DEATH PLANK-

BOWERY THRATER, Bowery.—Scamps of London

BARNUM'S AMERICAN MUSTUM, Broadway -Gun Tom Thomas and Wirk, Com. Note and Minnin Warnam at all hours. Old Howse at Home. Alternoon and Evening

PRTANTS' MINSTRELS, Mochanics' Hall, 672 Broad-WOOD'S MINSTREL HALL 514 Broadway.—ETHIOPIAN SORGE DANGER SO.—TARGET EXCURSION AND PANORARA

INVINO HALL, Irving place.—Ten Stennorrico

THE NEW IDEA. 486 Broadway. -Songs. BURLES

AMERICAN THEATRE No. 666 Broadway.-BALLET NEW YORK MUSEUM OF ANATOMY, 518 Broadway.

HOOLEY'S OPERA HOUSE. Brecklyn.—Ermiopla.

## TRIPLE SHEET

New York, Phursday, July 2, 1863.

THE SITUATION. There was some apprehension in Washington yesterday that the army of General Lee might make a line of retreat from Maryland and reach the federal capital before the army of General Meade can intercept it. Some hopes were entertained that General Meade might be able to strike the rebels on the flank, and thus prevent them from reaching Washington. The good fighting qualities of General Meade are relied upon to effect this object. The army are reported to be willing to suffer any fatigue within the power of human endurance. General Meade has issued a circular, urging upon the commanders of army corps, divisions and brigades to explain to their men the se issues" involved in the coming conflict. Homes, firesides, and domestic altars, he says, are in danger. The enemy is on our own soil; the army which has fought well heretofore, he thinks, if properly appealed to, will now fight more desperately than ever. He authorizes all commanding officers to order the instant death of any soldier who falls to do his duty. All these precautions would indicate not only the approach of a decisive battle, but the earnest and anxions anticipations of the Commanding General that the result shall

Scouts sent out from Washington yesterday re port that no rebels were seen between Frede rick and the Potomac, and that certainly none o them were within ten miles of Washington.

A battle took place yesterday at Hanover June tion between the Union cavalry of General Plea santon and General Stuart's force. It lasted nearly the entire afternoon, and resulted in the success of our troops. The rebels lost, according to some reports, four hundred in killed and wounded and six pieces of artillery, and according to others not more than twenty. Our loss is reported at two hundred. The accounts upon this point are evievidenty conflicting. Our forces occupied York on Tuesday night. Heavy firing was then going on in the direction of Gettysburg. The rebel army was reported to be between that place and Chambersburg.

Heavy firing was heard yesterday afternoon at Harrisburg, which appeared to be in the direction of Carlisle. It was reported that a heavy battle between Generals Lee and Meade was in progress; but at what point was not known. The excitement in Philadelphia continues. A resolution calling upon the President to restore General McClellas to command passed the City Council.

Immense trains of supplies have been sens back across the Potomac by the rebels, the results of Lee's raid. Despatches from Sharpsburg yesterday state that for the past few days large forces of the enemy have been crossing at that point and moving towards Pennsylvania.

Despatches from Memphis bring news from Vicksburg to the 25th ult., at which time everything was going on favorably as usual. On the 22d General Grant advanced to meet the rebel General Johnston, but could not find his whereabouts. His troops are said to be between Canson and Bridgeport.

We have news from Bermuda to the 23d of some importance. The rebel steamer Lady Davis arrived at St. George's the day previous, from Wilmington M. C., with despatches from the rebel government to the British representatives at Bermuda. The Royal Gasette of Bermuda, of the 22d, angounces the arrival on board the Lady Davis of Mr. Valladham, on his way to Canada. The alledged rebel mer Lady Clyde, from Greenock, Scotland, via eal, had arrived at St. George's on the 15th and subsequently cleared for Nassan.

Bougl Gazette, of Bermuda, of the 16th ul-Washington, prehibiting the exportation of horses, mules, and all live stock, which of course includes oxen, &c., went into operation on the 30th of May last; and so strictly has this order been enforced, that several vessels, then laden at New York for Barbados, Nassau, and other places in the West Indies, were compelled to reland their cargoes of cattle. We presume that this order will have the effect of reopening our cattle trade with St. Andrews, New Brunswick. We fear, however, that the contractor for supplying the army and navy with beef at this station, will be much inconvenienced by this very singuiar order of the Federal government.

## PUROPEAN NEWS.

The steamship North American, from London. derry on the 19th of June, passed Father Point ye to day morning on her voyage to Quebec. The Chine, which left Queenstown on the 21st of June, ched this port yesterday afternoon. The news coached this port years and will be found of a varied

Mr. Sidell, the robel commissioner in Paris

took breakfa t with the Emperor Napoleon. They enjoyed a private conversation afterwards. was inferred that Napoleon would renew his offer of mediation in the war affairs of the United

The correspondence which passed between Mr Conway, the alleged representative of the American abolitionist party, and Mr. Mason, the envoy

of the rebel States in London, is published.

The Liverpool journals again assert that the steamship Southerner, lying in that port, is intended for the rebet service. The case of the Alexandra was to some up for trial in the Court of Exchequer, London, on the 22d of June.

A letter from Rio Janiero, of the 23d of May, has the following:-The Florida (Confederate steamer) left Pernambuco May 12, and with her the late federal brig Clarence, which she had taken; the latter has been armed with four guns and forty men. It is reported that the Florida had destroyed nine vessels, some laden with flour, from New York Advices from Bahia, of the 29th of May, report:-The Alabama (Confederate steamer), sailed hence May 21; and the Georgia, (Confederate steamer) which arrived here from the Clyde on the 13th May, left on the 22d. The Mohican, (Federal steamer-of-war), put in here on the 25th May, and sailed on the 27th May in search of the above.

The London Times expresses the opinion that the interview of Fernande Wood with President Lincoln would incline the public mind towards

peace.

The New York steam fire engine Manhattan, No. 3-intended for the London exhibition—had reached Liverpool just previous to the departure of the

France was still jubilant over the news of the triumph at Puebla. General Forey, in an additional report to the Emperor, says that the speeches of MM. Jules Favre and Picard, in the Paris Legislature, against the expedition, were found trans-lated into Spanish by the thousand in the hands of the Mexicans. The General adds-"I have already stated that the defence of Puebla organized by the European demagogy preves that there are per sons in the place thoroughly acquainted with barricades." It was said that France would claim the State of Sonora as Mexican territory, and that Forey would be ordered to seize the city of Acapulce and the mines in that neighborhood to reimburse the French for the expenses of the war. Twenty-one guns were fired from the Castle of San Angelo, in Rome, in honor of the fall of Puebla. The Emperor telegraphed to Pius the Ninth that he would send a representative to confer with him on all matters relating to the church in Mexico.

The Paris papers of the 21st of June announce that with a view of facilitating commerce with Mexico, merchandise consigned to ports occupied by the French and destined for the portions of the ountry in French occupation, shall only pay half of the import duty to which it is liable by the regular tariff.

Lord Palmerston's speech on the subject of the close alliance of England with France appears in

our columns. Earl Russell had directed the English Minister in Brazil to sk for his passports.

It was thought that Russia would refuse the allied propositions in the case of Poland.

Captains Speke and Grant, the explorers of the Nile, had reached England. A London journal describes the travellers as "sundried, sunburned, lean and gaunt as greyhounds."

A number of romances in real life, or causes elebres, had transpired in England and France. Captain Nathaniel W. Massey, the hero of the MacTavish-Canadian elopement, had been sued in the London Divorce Court by his wife, Mrs. Massey, whose complaint is very unfavorable to the Cantain. The Yelverton marriage case was again in the Scotch Courts in a new shape.

In Paris an action is brought by Madame Civry.

to recover from the royal Duke of Brunswick those natural child she claims to be, an allowance of 35,000 francs a year. She alleges that she is the child of the Duke by Lady Colville, of England whom he seduced. The London Saturday Reviews furnishes a resume of the late Patti law suit, giving the views of the writer on the merits of the case. Consols closed in London, on June 20, at 92 9234. The Liverpool cotton market was dull, with prices unchanged, on the 20th ult. Breadstuffs

## were flat but steady. Provisions dull. WISCRILLANDOUS NEWS

The Missouri Emancipation ordinance has passed the State Convention by a vote of fifty-one to thirty. Slavery is to be abolished in 1870. Those tions under twelve till they are twenty-three those over twelve until the 4th of July, 1876.

An ordinance has passed the Philadelphia Com mon Council providing for giving to New York and Boston, from the herd of deer at Logan square, two bucks and four does to each of those cities and the Commissioner of city property will send them on in a few days.

A Philadelphia journal publishes a list of the members of the Loyal League of that city, by which it appears that the association contains 53 members. Of these 241 are government contractors and office holders. Three of the members have gone to the war, and four to Harrisburg. Forty companies of sharpshooters are to b

raised in New Jersey for State defence. Secretary Stanton has informed the Governor of

Ohio that colored troops can only receive ten dollars a month, and no bounty.

General Schenck has broken up a nest of seces

sion sympathizers in Baltimore, which was known as the Maryland Club. A detachment of the Se venth regiment of this city now occupies th

The rebel State Convention of Tennessee was held at Winchester on the 17th of June. Robert L. Caruthers was nominated for Governor, and the following named persons, to be voted for on a general ticket, were nominated for the Confede rate Congress:-First district, Joseph B. Heiskell Second, William G. Swan; Third, A. S. Colyer, of Franklin; Fourth, Colonei John P. Murray, o Warren: Fifth, H. S. Foote: Sixth, E. A. Keeble: Seventh, James McCullum, of Giles; Eighth, Dr. Thomas Mences; Ninth, J. D. C. Atkins; Tenth.

John V. Wright; Eleventh, D. M. Currin.

Mrs. Julia Sterrett, wife of Captain Isaac S. Sterrett, late of the United States Navy, but now in the rebel service, was arrested for disloyalty, ir Baltimore, on Saturday last, and given a free pas age to her friends in the South. The lady has a son in Fort McHenry, who is charged with being

The Fourth of July celebration of the Union Leagues in Philadelphia, which was to have been participated in by President Lincoln, will not take

The firm of S. Hailett & Co. have been appointed by General Fremont President of the Union Pa eific Railross Company, Eastern division, its finan cist agents; and for securing the speedy construc tion of the road, it is stated that General Fremon has deposited with them two millions of dollars or their equivalent, to be used as they may deem best calculated to secure that object. We give this information on the authority of the original documents, which have been exhibited by General remone, and are to that effect.

At a regular meeting of the Board of Education

ast evening, a communication was received from he Mayor, designating the Hauan and Tribune as papers in which the official proceedings of th Board are to be published. Referred to the Auditing Committee. The trouble in the Ninth ward Miss Kate McGean from a public school in that rd on h r refusal to sing the "Battle Hymn of the Republic," was made the subject of a lengthy

communication to the Board from Mr. Augustus F. Dowes, one of the Trustees. It contained & statement of the ineffectual efforts he had made to have the young lady restored to her school and class, in obedience to the request of the Board. Ordered to be laid on the table. Mr. Dunham was elected permanent engineer of the Board, at an annual salary of twelve hundred dollars. A resolution was adopted to withhold the signatures of the President and Clerk of the Board from all warrants drawn by the School Trustees of the Ninth ward until they shall have restored Miss McGean to the school from which she was ex-

United States Commissioner R. E. Stilwell committed John, Henry and Charles Bressell, in the sum of \$250 each, yesterday, for resisting the en-

The General Term of the Supreme Court rendered some decisions yesterday, amongst which is one ordering the Comptroller to prepare and sign the to James B. Taylor. At the same time the Court loes not compel the Comptroller to procure the Common Council. The arguments on the appeals in relation to the city advertising and the new Court House were set downfor Friday next, at ten

The Cumberland river is up, and navigation is good to Nashville. The water had risen about

The stock market was better yesterday, the advance being from 1 to 3 per cent all round. Gold fell of 2 ½ per cent, closing very heavy. Exchange was 158, about 2 per cent below gold. Money was pretty easy; call loans

dlings left off tamely at 73c. a 74c. The tran dinigs lett on tamely at 73c, a 74c. The transactions in flour and wheat were light and at easier prices. Corn was steady, but not active. The demand for sugars, molasses, hay, wool and the principal kinds of provision was fair. Mess pork was dearer. Whiskey advanced Whiskey advanced to 45 %c. a 46c., with heavier sales. Petroleum declined 1c. a 2c. per gallon, and closed dull. There were no very regagements were light and rates tending downward.

The Two Great Hostile Armies in Penn-Rail Beautifully.

General Meade has commenced in Maryland and Pennsylvania, with the most promising results thus far, his active operations against the invading rebel army of General Lee. Our brief reports from the headquarters of the army of Tuesday's brilliant operations by the Union cavalry, and the despatch announcing the occupation of York in force by the national troops lead us to the conclusion that the lines of advance covered by the national army extend from York southwestwardly to some point near Frederick, in Maryland, thus covering on the south the entire flank of the rebel army, which appears to be rapidly retiring.

All these operations, however, were east of the Cumberland valley (the continuation in Pennsylvania of the Shenandoah valley), in which all the heavy columns of Lee are doubtless situated, between Carlisle and the Maryland border. Our forces will probably meet the enemy in strength in crossing over the dividing mountain into this valley, unless, as was reported some days ago, we are already on the west side of the mountains on the left, in which case Lee may be compelled to fall back over the Potomac river. We have no doubt that General Meade's army heavily outnumbers that of the enemy, and that thus the strategy of concentration on the part of Lee against any point of the Union lines will not avail him. We guess that, while General Meade will bring all his forces into play, if necessary or expedient, he will take good care that no particular column is beyond he reach of heavy reinforcements. We are satisfied from Lee's cautious movements that he does not desire a general engagement, except upon the most advantageous terms; and we do not believe that Meade is the man to allow the enemy to choose his own terms for either a ensive or offensive engagement

It is a remarkable fact that on the very next day after the appointment of General Meade to the command of the Potomac Army we should begin to hear of the retreat of the enemy from the line of the Susquehanna. The inference naturally follows that Lee at once appreciated his danger with a bold and skilful opposing general to deal with, who retires at night clear neaded, cool and collected, and who proceeds to business in the morning with the strictest regard to that all important military requisition of sobriety. In dealing with Meade it is not the question to Lee of "Philip drunk or Philip sober," but the question of a trial of strength with a superior army, the leader of which is always wide awake and with his wits about him. Hence we incline to the opinion that the appointment of General Meade to the head of our army was accepted by General Lee as a warning to prepare for the contingency of a speedy return to the Shenandoah valley.

Our apprehensions as to the safety of Wash ington are gone. We are assured from headquarters that "our whole army is in splendid spirits," and that officers and soldiers have the ullest confidence in their new commander. The whole aspect of the campaign is changed from darkness to brightness, from apprehensions of serious disasters to anticipations of deciaive victories. We now feel at liberty to turn from the question of the protection of Washington to the opportunity for the complete overthrow and dispersion of the rebei army Had the administration promptly put into exe cution the laws of Congress and the ample powers therein granted for reinforcing our ar mies, we might have had this day an army at Washington of one hundred thousand men, in addition to all the forces now assembled there. and within a circuit of sixty miles from the capital. This new army, if now on hand, would be sufficient to secure the complete annihilation of the army of Lee and the death blow to the rebellion. But, under the mischievous counsele of such abolition professors of the art of war as the Wades, Chandlers and Wilsons, the administration for months was diverted from the movements of the rebels in Virginia to the stupid sayings and doings of peace orators and copper head peace journals in the Northwest; while Gen. Hooker, instead of vigilantly watching the enemy in his front, was busy day and night in regulating or suppressing the circulation of newspapers and in a foolish campaign against

But, notwithstanding all this budget of blun ders, we may congratulate the country that is the crisis of the public danger the proper steps have been adopted for the public safety These steps, in the right direction, have been delayed to the eleventh hour; but we are sanguine that they will save the day. From the dispute between General Hooker and General Halleck in regard to the value of Harper' Perry resulting in Hooker's removal, we think that the supreme importance of Harper's Ferry has been fully cetablished, whether the place may be abandoned or eastured to des

morrow, or held to the end of the war. In giving us at this important juncture a new commanding general who possesses the confidence of the army, and whose abilities for his position are already beginning to be illustrated in the field, Harper's Ferry has resulted in securing us the most desirable of all things demanded by the exigencies of the day.

In view of the speedy expulsion of the rebel forces from Pennsylvania and Maryland, and in view of the necessity which will then compel General Lee to take the back track to Richmond, we should think that the wise heads of the War Office have had experience enough in our past campaigns in Virginia to know what to do. They know by this time all the highways and byways along which an army may get out of the Shenandosh valley into the country east of the Blue Ridge; and how an army, even after crossing the mountains, may be intercepted on the road to Richmo First, however, let us await the issue of the movements of the opposing armles in Penn sylvania and Maryland, and then, with the expulsion of the enemy back into the Shenandoah valley, the failure of the War Office so to cooperate on the enemy's flank with the move ments of General Meade upon their rear will result in a public demand for a reconstruction at Washington which President Lincoln will be able no longer to resist. On the other hand, let the War Office seize the opportunity and accure the defeat and dispersion of the reberarmy of Virginia, and all the past blun-

ders and acts of negligence on the part of Messre. Stanton and Halleck will be forgotten in the general exultations of a grateful people. It is the anny of Lee that is now in danger; and now that the government has the menvolunteers and militia-and the means at hand, for the overthrow and dispersion of his armynow is the time to bring them all into action.

The City of Mexico in Possession of the

We have the most exciting news to-day from Mexico. The French are in occupation of the capital, having found no obstacles in their march after the capture of Puebla, which is in itself a very suspicious circumstance. The Mexican troops withdrew four days before the French entered, and the church party tendered their allegiance to Napoleon. The seat of government, the treasure and the arms and munitions of war have been transferred by Juarez to San Luis de Potosi, which lies considerably northward, among the mountains, in the direction of Texas, where resistance can be continued to the progress of the French arms with greater advantage than in the capital, which the Mexican government desired to save from bombardment. By moving in this direction Juarez will be enabled to fall back upon the Southern confederacy if hard pressed, and to form an alliance with it. The new seat of government, moreover, s the centre of the mining region; and it is evident that by taking possession of this point Juarez does not mean to give up the contest This is further plain from the fact that the twenty thousand men who garrisoned the capital have been withdrawn to Cuernavaca and to intermediate points around the city, for the purpose of carrying on a guerilla warfare, for which the Mexicans, like the Spaniards, are famous, the geographical character of the country of both nations being favorable to this mode of hostilities. With the aid of a small British force of thirty thousand men the Spanis guerillas drove a large French army out of Spain. With the aid of an army of twenty thousand Confederates the French could be as easily driven out of Mexico. Any person, by consulting a map of the Mexican republic, will see that the territory lying south of the capital is about one-fifth, while four-fifths of it are north. including the most valuable mines. The French do not occupy even the southern portion of the country, but merely the road from Vera Cruz to the Halls of the Montezumas, and the Mexican army is still intact. Cortex in his expedition con quered ignorant Indians, unacquainted with fire arms or the use of iron. General Scott succeeded were well aware that the American government did not want to destroy the independence of a sister republic, but merely to obtain redress for wrongs, and they submitted because they hated the voke of Santa Anna. The manner in which they fought for their independence against the mother country, and their resist. ance to ambitious rulers, who have since sought to establish a despotism over them, are earnests of what Napoleon has to expect before he

can subdue Mexico. General Forey, too, has already thrown off the mask by issuing a decree confiscating the property of all who have been or are in arms against the French; and a new journal, started in the interest of Napoleon, states that the occupation of the city of Mexico settles with absolute certainty that it is necessary to extirpate by root the democratic element, and no longer need there be even a dream of popu-

lar sovereignty."
Will the Mexicans submit to this? Never But it fully reveals what are the designs of the Emperor of the French, and how deceitful are his circulars, denying that he ever intended to interfere with Mexican independ ence. Now that he has been compelled to show his band, be will pretend that his object is to educate the Mexican people, like Algeria, into self-government, of which they are at present incapable. And to this end he will construct railroads and set on foot other public works to develop the resources of the country. It is already announced that he intends to unite the Atlantic and the Gulf of Mexico with the Pacific by a railroad extending across Mexico from Vera Cruz to the capital, and thence to Acapulco. By this route the Emperor of the French expects to monopolize the trade of the East, and at the same time he hopes to reduce the country to the condition of a French province, and to get possession of all its mines. In other words, he calculate. upon a new East Indies in Mexico, and to make France rich by the conquest. But there is many a slip between the cup and the lip. There is no doubt he may build the new railroad from Vera Cruz to Acapulco, and we bould suppose that the Mexicans will not object to a work of such immense value to their country. Let Napoleon, therefore, go on with the enterprise. It will be so much done for the benefit of Mexico and the Mexican republic. For when we shall have settled our domestic troubles we intend to take possession of the railroad, and to drive the French from every feet of Mexican soil, unless the Southern con ederacy shall have previously done so. We hope the Emperor, therefore, will give us prompt notice of the completion of the work.

Meantime the occupation of the city of Mexi-

and sastain the prestige of the French arms. It will make him immensely popular in France, and enable him to carry out his programme touching the Polish question. " will probably proceed to dictate terms to the Czar, and insist on the independence of Poland. But Sussia will not relax her grasp of Poland without a long and bloody struggle; and while Nano leon is busy in settling the question, either by the arbitrament of the sword or by the arts of diplomacy, or by both, and while he is regu lating the affairs of the Pope, and pays off to England all old scores, the United States will be in a position to have something to say about the regulation of the affairs of Mexico and of this continent generally.

One design of Napoleon is to re-establish the monarchical principle on the ruins of democracy in Mexico; and in this he is supported by all the monarchs of Europe; for it is hoped that the leaven will spread northward, and change the democratic institutions of the confederacy. On the other hand, the erection in Canada of an independent monarchy in the English interest is also projected, both as a counterpoise to French influence in America and with the expectation of gradually absorbing the Northern States. In recent years the tendency of the Canadian people, particularly of the inhabitants of Canada West, is to gravitate towards the United States. The country i now more free than the mother country, and far more democratic. But in Canada, as in Mexico, there is a monarchical party who desire to see kingoraft firmly established, and their organs have been recently advocating the erection of a monarchy, with one of the royal family of England at its head. They say this is the right time to set the ball in motion. The meaning of which is that while the North and South of the United States are engaged in a deadly interneoine struggle, and when Napoleon is flanking the country on one side with hostile European in stitutions, Great Britain ought to aid in the work by commencing her flanking operations on the other side. Thus do the great Western Powers of Europe hope to crush out democ racy in America. But let them keep cool Their slippery, hypocritical alliance is des tined to be of brief duration. There is no entente cordiale. Jealousy and fear of each other are too strong to permit effective co-operation, and any little accident may in a moment shat ter even the superficial understanding between them. The day is not distant when all their elabo rate arrangements will be snapped asunder like a spider's web, and the young giant of America, awaking to a sense of his danger from foreign complications, will speedily settle his house hold affairs, and go forth in his might to sweep from this continent every vestige of European

The Present Position of Napoleon the

sses of the French forces in Mexico have entirely changed the position of the Emperor Napoleon, not only in his own empire but throughout all Europe. The fall of Puebla relieved the Mexican expedition of the stigma of unsuccess, and, by giving promise of a speedy termination of the campaign, rendered it less upopular with the masses in France. When it shall become known in Europe that the city of Mexico has fallen into the hands of the French without a blow, and that the church party are sworn adherents of the Emperor Napoleon, the prestige of the latter will regain all its lustre which the protracted resistance of the Mexicans had so tarnished. The Emperor will thus escapthe blows of the opposition, who had in the Mexican expedition a lever wherewith to undermine the influence and power of his Majesty. The people of France will be blinded by van ty, and will, for the nonce, shout Vive l'Empersur with considerable enthusiasm, as they

always do after a victory.

It is well known that Napoleon intends improving the internal condition of Mexico: that he will construct railroads, and in every manner increase and cultivate the resources of the country. He will work the gold and silver draw a large revenu quered people. Thus, on the score of expense, e bas now a real and palpable advantage, which the French will not be slow to appreciate. They will understand that all the treasure expended will be recovered, and will, from that very fact, look upon the expedition now with as much favor as before they cried out

against it.
Of course Napoleon will be all the more powerful in Europe, and we may look to see im take such measures in the Polish question as will enable him to push out his frontiers to the Rhine. He will provoke Russia to open war. Prussis, it is well known, will side with Russia in the matter, and Napoleon will not lose the opportunity to seize upon the territory which will give him the Rhine as the boundary between his empire and Germany.

Austria has shown a desire to keep clear of any quarrel which may arise apropos of the Polish question. She sides neither with France and England nor with Russia, and will no doubt endeavor to play the same role she enacted during the Crimean war. Whether Napoleon will allow her thus to steer clear of all difficulty remains to be seen. He has a great advantage over the Austrian Emperor, as, through Hungary and Venetia, he can force him to take measures such as will suit the policy of France. Italy will act with Napoleon from the same cause, and Spain will side with France,

because at present she is flushed with success. We have the assurance of Lord Palmerston that there is a complete understanding between France and England upon all questions, whether East or West. The success of the Mexican expedition will render the entente cordiale all the more likely to be firm. as England will now fear Napoleon mere than ever. It is to be apprehended that, flushed with the success of his Mexican scheme, Napoleon will endeavor once more to mediate in the affairs of this country. He will feel now that he has recovered the prestige, and will wish all the world to feel the same. We do not doubt that France will now assume a most prominent position, and that she will dictate to the Powers of Europe with an audacity never but once paralleled. We refer to the days of the great Napoleon. The present Emperor is well aware that to drown the discontent of his subjects he must cater to their vanity, and we shall doubtless see him doing this to a surfeit of the feeling. Europe will fear the man in his great success. Let us hope that we may ere long have time to pay attention to the movements of Napoleon on this continent. The inclination to do so is strong enough now. This opportunity will, we hope, soon present itself. When it does Napoleon will find that Mexico will prove as fatal to him as did MosThe Financial and Political Schemes of Secretary Chase has two organs in this city-

one to attend to his financial and the other to his political affairs. Samuel Hallett and Company, bankers, in Wall street, devote their at tention to the financial department of Secreta Chase's concerns, and publish once a week his financial organ, called "The American Circular." On the other hand, the New Your HERALD takes a great interest in the Secretary's political manœuvres, and fellows him, com his schemes to get ahead of poor Seward, his efforts to organize loyal leagues, and his immense, secret, underground machinery to upset all the other republican candidates and secure his nomination for the next Presidency. With two such organs Secretary Chase is pretty effciently represented, and the public cannot fail to be accurately informed of his financial and political policy and prospects.

From the financial organ, to which we have dready referred, we learn that the exact condition of the public debt on the 29th of June, 1863, is as follows:-

Four per cent — Temporary loan..... \$35,526,nee Temporary losa.

Bonda due 1855. \$8.481,000

Bonda due 1871. 7,022,000

Bonda due 1874. 20,000,500

Temporary losa. 71,244,406 7 3-10 bonds, due Aug. 19, '64. . 62,981,000 7 3-10 bonds, due Oct. 1, '64. . . 86,989,500 Inited States notes..... The Secretary of the Treasury has, however,

lecided to take advantage of the option given him in the law, and will continue to exchange he five-twenty bonds for legal tender notes during the month of July. "Beyond this," we are officially informed from the Treasury Department, "It is impossible to state with much precision what the action of the Department will be. It must be determined by exigencies as they arise; and, as these result from military successes or defeats, their character cannot be foreseen." The object of continuing the exchange of five-twenty bonds for legal tenders during thirty days more is nevertheless very evident. It is to get ready for the issue within a year of four hundred millions of dollars worth of legal tender bonds—that is, bonds legal tender on their face. Add this sum to the amount of legal tender notes and legal tender fractional currency in the table given above, and to this add the two hundred millions of dollars in paper money which the national banks are likely to issue during the year to come, and it will be seen that within a year we shall have the currency increased by over a thousand millions of dollars worth of government notes. This will inflate stocks, indate business and inflate prices generally, and we may judge with some accuracy of its effe by the present condition of our currency, with not quite half that amount of paper money in Such is the financial situation of the govern-

ment, and such are the financial prospects of Secretary Chase, subject to the exigence the war. We are sorry to say that the Secretary's political prospects are subject to the we know that he had prepared for a grand loyal league demonstration in Philadelphia on the Fourth of July, and that he had induced President Lincoln to consent to address the meeting. This would have been a splendid stroke of policy. In the first place, Mr. Chase would have obtained an apparent endorse from the President of his political machinatio of which the loyal leagues form a promin part. In the second place, he would have completely outmanœuvred Mr. Seward, who has not arranged for any mass meeting of his fellowers. In the third place, he greatly diminished Mr. Lincoln's chances of redection by exhibiting our worthy President bound, like a Roman captive, to the charlos wheel of his astute Secretary and political rival. This was a magnificent conception; but Lee has ruined it. The rebel invasion has given President Lincoln other fish to fry. He will have as little leisure to make speeches as the Philadelphians have to hear them. The loyal league demonstration will have to be transfer red to the fortifications at Harrisburg or the trenches now to be dug around Philade phia. Such are the accidents and changes of life. But still no one can withhold from 8 tary Chase great credit for his brilliant idea When we lately announced, on the authority of our correspondent in the Treasury building, that the Secretary took his friends out riding whenever he wished to hold confidential political conversations with them, we pronounce that a fine strategical movement; but this loyal league business displays even a larger grasp of intellect. Now that this stupendous design has failed, however, "it is impossible to state with much precision" what Secretary Chase will do next. Perhaps we had better conclude, in the Secretary's own words, before quoted, that "it must be determined by exigencies as they arise; and, as these result from military successes or defeats, their character cannot be foreseen."

PROBABLE ALLIANCE BETWEEN THE MEXICAN GOVERNMENT AND THE SOUTHERN CONFEDE RACY .- The policy of the Mexican government in moving the seat of government and their army northward, and quietly leaving the French in occupation of the capital, indicates a ten dency towards the consummation of what has been so long suspected-an alliance between the Mexicans and the Confederates. . With the aid of from twenty to thirty thousand troops of the confederacy Juarez could capture the whole French army, and clear the country of every hostile foot. In return the Mexicans could give great assistance to the confederacy by supply. ing them with numerous articles which are indispensable in war, and are at present shut out by the blockade or only admitted in insufficient quantities.

By the very threat of such an alliance at the resent moment the confederacy may extort a ecognition of its independence from Napoleon; and it is worthy of remark that among the items of news brought by the Chine, and published in another column, is the significant announcement that "Mr. Slidell, the envoy of the Confederate States, has had a very long conference with the Emperor of France. Emperor sent for him, and had a private tele-a ote with him at breakfast, and did not part with him until the Council of Ministers had smem-